

SS#2 SB 695 -- MEDICAL SERVICES AND ELIGIBILITY

SPONSOR: Goode (Bearden)

COMMITTEE ACTION: Voted "do pass" by the Committee on Budget by a vote of 13 to 8.

This substitute provides that in any fiscal year in which moneys are not appropriated for Medicaid services, these services will not be provided and persons otherwise eligible for those services will no longer be deemed eligible. Services subject to this provision include:

- (1) General relief;
- (2) Certain old age assistance benefits, permanent and total disability benefits, and aid to the blind benefits; and
- (3) Benefit payments for medical assistance on behalf of those eligible needy persons who are unable to pay for that assistance.

The substitute modifies the rebate amount for prescription drugs in the Missouri Senior Rx Program. For all transactions that occur prior to July 1, 2003, the rebate amount is to be 15% of the manufacturer's price. For all transactions that occur on or after July 1, 2003, the rebate amount is to be 15% for brand name prescription drugs and 11% for generic prescription drugs.

The substitute allows the Department of Social Services to adjust the tax levied on licenced retail pharmacies providing outpatient prescription drugs in Missouri on a quarterly basis. The department may adjust more frequently for individual providers if there is a substantial change in their pharmacy sales characteristics. Provisions that the tax be subject to an annual audit by the Department of Insurance are repealed. The provisions relating to this tax expire June 30, 2006.

The substitute contains an emergency clause.

FISCAL NOTE: Estimated Savings to Senior Rx Fund of \$5,200,000 in FY 2004, \$6,200,000 in FY 2005, and \$6,500,000 in FY 2006.

PROPONENTS: Supporters say that the bill as it passed the Senate was filed at the request of the Governor and provides the state flexibility in the control of Medicaid costs.

Testifying for the bill was Senator Goode.

OPPONENTS: Those who oppose the bill say that the cuts in services will be felt immediately by recipients and will lead to

higher care costs in the future.

Testifying against the bill were Paraquad Inc.; and Wayne Lee.

Other witnesses testifying on the bill were Department of Social Services; and Office of Administration.

Roland Tackett, Legislative Analyst